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## PROTECTING CONSUMERS SINCE 1975

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March 28, 2022

## **VIA ELECTRONIC FILING**

The Honorable Jocelyn Boyd Chief Clerk/Executive Director The Public Service Commission of South Carolina 101 Executive Center Drive Columbia, South Carolina 29210

RE: Docket 2021-324-WS

Application of Kiawah Island Utility, Inc. to Increase Rates

**Department of Consumer Affairs Letter re Settlement Agreement** 

Dear Ms. Boyd:

The Department of Consumer Affairs (the "Department") submits this letter to inform the Commission it does not oppose the Settlement Agreement submitted by the Office of Regulatory Staff ("ORS"), Kiawah Island Utility, Inc. ("KIU"), and the Town of Kiawah Island ("Town").

Pursuant to its authority under S.C. Code Ann. § 37-6-604 (2018), on December 7, 2021, the Department intervened in this matter to provide legal representation of the consumer interest, in particular, those consumers who use KIU for personal, family, or household purposes. The Town subsequently intervened on January 7, 2022.

The Department submitted testimony regarding KIU's capital structure, cost of debt, and appropriate return on equity. Due to differences between the Settlement Agreement's terms and the Department's recommendations on those issues, the Department is not "prepared to call witnesses and argue in favor of the settlement" as required by the Commission's policies and procedures. However, the Department has reviewed the Settlement Agreement and agrees it is generally in the consumer interest. More importantly, the Town has joined as a party to the agreement, finding its interests would be best served by the settlement.

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While the Department has not joined the settlement, as noted earlier, we do not oppose it. The Department does intend to follow the Settlement Agreement provisions regarding stipulation of testimony, waiver of cross-examination, and presentation of evidence in paragraphs A.1 and A.2. Therefore, we do not intend to present our witness in a hearing, unless otherwise requested by the Commission.

Regards,

Roger Hall, Deputy Consumer Advocate